ITEP – BRAC'S RECOMMENDED EBR MATRIX

Based on economic development goals and competitor regions' practices

Small Companies (50 or fewer FTEs)			Abatement	
Project Specs				
Cap Investment	OR	Jobs	Years 1-5	Years 6-8
Any		0+*	100%	80%
Large Companies (51+ FTE)			**Abatement**	
Project Specs				
Cap Investment	OR	**Jobs**	**Years 1-5**	**Years 6-8**
$1M to $9.9M		0* to 10	50%	40%
$10M to $20M		11 to 19	75%	60%
$20M+		20+	100%	80%

*ITEP rules require the creation of a full-time job in order to qualify for the abatement, unless a compelling reason exists to allow for the abatement for the retention of existing jobs to substitute for this requirement. If evidence of such a compelling reason exists, there may be no job requirement.

EBR ITEP GUIDELINES

- The EBR ITEP Committee will offer abatement above the amount allotted in the matrix to encourage installation of machinery or equipment that provides a positive environmental impact beyond any floor required by federal, state, or local law, rules, or regulations.
- All new direct or contract jobs created must be permanent and full-time (30 or more hours per week, per state ITEP rules) in order to qualify.
- Equipment cannot depreciate to have no taxable value during the abatement period.
- If replacements or upgrades are made as part of a rehabilitation or restoration, only the capital expenditures in excess of the original cost will be eligible for exemption.

ITEP – MODERNIZATION CRITERIA

When is it appropriate to grant ITEP to projects with no direct jobs?

A project must satisfy all of the following criteria:

- Ensures the current employment levels of the existing location for as long as the ITEP contract
- Is not otherwise mandated by federal, state or local law, a judgment or legal settlement
- Is not considered routine maintenance that the company would make at the manufacturing facility in EBR regardless of the availability of an incentive

As well as one of the following criteria:

- Replaces or updates equipment that is essential to the manufacturing process, and the equipment has reached the end of its useful life
- Increases efficiency of the manufacturing process or makes the company's EBR location more competitive toward competing locations for the same manufacturing process
- Expands production capacity at the EBR manufacturing site, ensuring higher productivity per existing worker
- Required for "retooling" to allow companies to get into new markets / new products making them more viable long term.